

17 November 2004



Iraq Weekly Status Report

UNCLASSIFIED

DEPARTMENT
OF
STATE



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Highlights

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Political/Governance

National Elections:

- ï Voter registration continues in all provinces except Al Anbar; Ninewa and Diyala have experienced some interruptions.
- ï More than fifty political parties have now registered with the Independent Electoral Commission of Iraq (IECI) for participation in the January elections.
- ï Iraqi political parties continue the process of developing party coalitions and candidate lists at both the national and governorate levels for submission to the IECI by 30 November.
- ï Out of Country voting will be carried out by the International Organization for Migration (IOM) under a new Memorandum of Understanding (MOU) with the IECI. 14 countries will participate: Australia, Canada, Denmark, France, Germany, Iran, Jordan, the Netherlands, Sweden, Syria, Turkey, the United Arab Emirates, the United Kingdom, and the United States. An estimated one million Iraqis eligible to vote live abroad.
- ï PM Allawi declared a general State of Emergency in Iraq on 7 November as joint operations in Fallujah began.

Highlights



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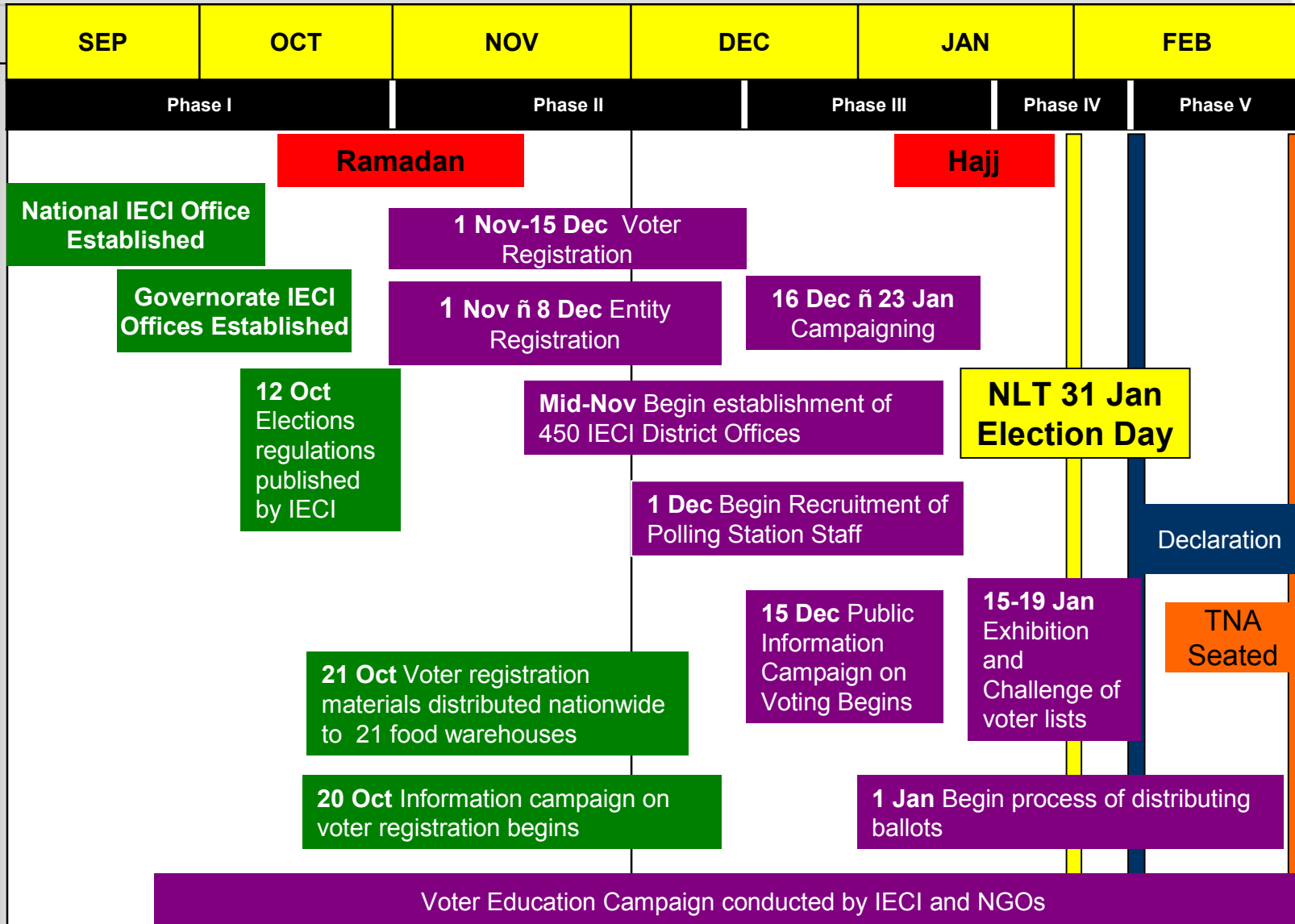
Economic/Essential Services

- ï The Iraqi Central Bank announced it will allow five Middle Eastern banks to operate in the country including Jordan's Arab Bank and Bahrain-based Arab Banking Corporation, while two Iranian and one Turkish bank were granted initial approval to do business in Iraq.
- ï A meeting of the Paris Club creditors is taking place this week with the Iraqis to negotiate a debt relief package for Iraq.



Governance ñ Iraq Elections Timeline

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Governance ñ Developments

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United Nations:

- ï UNSRSG Qazi was briefed by IECI Chairman Abed Al Hussein Hindawi on the progress made in preparing for elections.
- ï UNSRSG Qazi stated that elections would occur on time and added that twenty-three UN agencies, funds and programs are now working together to implement wide ranging programs to support Iraqis in the areas of health, education, electricity and water in addition to other political and humanitarian fields.
- ï UN electoral advisor Carlos Valenzuela said that additional UN elections staff are currently receiving training and would arrive in Iraq soon.

Capacity Building:

- ï The World Bank signed a \$7 million grant agreement with Iraq's Ministry of Planning and Development Cooperation to support a training program that will help Iraq's civil service play a leading role in the reconstruction and development process and set the stage for economic reforms, including social protection measures.
- ï The International Republican Institute (IRI) conducted Elections workshops for more than fifty civic leaders in Basrah this week.
- ï IRI funded a delegation of ten Iraqi political leaders to observe parliamentary elections in Lithuania last month.



Governance ñ Developments

Election Planning Continues:

- ï The IECl issued new regulations on challenging the voter registry and campaigning.
- ï IECl officials have launched public awareness campaigns in every province.
 - Elections posters calling for participation in the January elections are reportedly displayed across towns throughout Iraq.
- ï Estimates on the number of political parties now range from 45 major entities and up to 800 groups nationwide.

Coalition Support for Elections

- ï The Czech Republic extended its troop deployment for 2 months to Feb 28. to provide election related security.

Refugees, Democracy and Human Rights

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Repatriation of Iraqis:

- ï The UN High Commissioner for Refugees (UNHCR) continues to facilitate voluntary repatriation of Iraqis from camps in neighboring Iran.
- ï Over the past two weeks 64 people returned to southern Iraq, while more than 700 people returned to northern Iraq. Total facilitated returns totals 18,115 since August 2003.
- ï UN Refugee Agency is in contact with partner agencies and organizations handling displaced citizens from Fallujah. The displaced persons are staying with relatives, friends or other Iraqis. Some have been provided tents.
- ï An international NGO recently provided packages to internally displaced persons (IDPs) living in Baíqubah. More than 500 families received the goods, which were procured by the NGO through a \$200,000 grant from USAIDís Office of Foreign Disaster Assistance (OFDA). The NGO has reached over 12,000 IDPs in Diyalaí Governorate through similar distributions.

Rights Workshop:

- ï A four day workshop supported by a grant from the Iraq Transition Initiative focused on educating farmers about their rights and gave them an opportunity to express their opinions and voice their concerns.
- ï The original owners are taking steps to reclaim their property.



Economy

Oil Update:

Crude Oil prices in world markets for the week ending 12 November closed with Kirkuk Crude at \$34.92/barrel, Basra Light at \$32.72/barrel, and the OPEC basket at \$37.71/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Sector	Iraqis last week	Iraqis this week	% Increase on week
Buildings, Health & Education	3,250	2,824	-13.1%
Electricity	2,778	2,229	-19.8%
Oil	188	237	26.1%
Public Works & Water	359	386	7.5%
Security & Justice	7,218	6,931	-4.0%
Transportation & Communications	498	1,213	143.6%
PCO Office Staff	152	150	-1.3%
AIRP	12,170	12,100	-0.6%
PCO Non-Construction	0	29,478	
PCO Weekly Survey TOTAL	26,613	55,548	108.7%
USAID	35,371	28,918	-18.2%
MILCON TOTAL	861	861	0.0%
GRAND TOTAL	62,845	85,327	35.8%

Data as of 17 Nov 04



Economy (cont.)

Iraq Currency and Securities Exchanges:

- ï At the New Iraqi Dinar (NID) auction on 13 November, the settlement price was 1,460 dinars per USD. Due to the Eid al-Fitr holiday (end of Ramadan), a total of 8 banks traded with a total purchase value of NID 14.51 million (USD 9,938), which is about half the normal trading volume.
- ï Bond values purchased by the top 5 banks on November 13 (in thousands of dollars):

Bank Name	Quantity Sold (in thousands of USD)	Percentage of Total Auction
Al-Warkaa Bank	\$8,000	55.13%
Al-Rasheed	\$2,780	19.16%
Agriculture Bank	\$2,100	14.47%
Dar El-Salaam Bank	\$1,090	7.51%
Middle East Bank	\$420	2.89%
Total	\$14,390	99.17%

- ï The Ministry of Finance (MOF) auctioned ID 150 billion (about \$102.7 million) in T-Bills on 8 November; the settlement yield was 1.1 percent with 7 banks offering winning bids.
- ï The Iraqi Central Bank announced it will allow five Middle Eastern banks to operate in the country, bringing the number of foreign banks it has licensed to eight.



Economic Development

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Paris Club Meeting 15-19 November, 2004:

- ï A meeting of the Paris Club creditors is taking place this week with the Iraqis to negotiate a relief package for Iraqis roughly \$125 billion of external debt.
- ï The Paris Club is an informal group of official creditors who meet regularly (about monthly) to find coordinated and sustainable solutions to the external debt payment difficulties experienced by debtor nations, through rescheduling or reduction of the debts due to them.
- ï Since 1956, the Paris Club or ad hoc groups of Paris Club creditors have reached about 380 agreements with 79 different debtor countries and treated about \$421 billion in debt.
- ï Currently, the Paris Club creditor countries are Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, Norway, Russia, Spain, Sweden, Switzerland, UK, and USA.
- ï Debt treatments are tailored to the individual needs of the country and decisions are reached by consensus. Debtor countries must accept economic conditionality which is ensured by the existence of an IMF program, which demonstrates the need for debt relief and sets out economic reforms that countries must commit to undertake.



Essential Services ñ Water and Sanitation

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Water Treatment Projects:

- ï Construction of five water treatment plants have been completed with 28 plants currently under construction.
- ï Eleven irrigations sites have been completed with three sites currently under construction.

USAID Waste Water Treatment Projects:

- ï A USAID project to restore a wastewater collection system in Basrah is approximately 60% complete and is on schedule for completion in early 2005.
- ï This project restores sewage lift stations in Basrah which transfer raw sewage to a main sewage treatment plant in the governorate.
- ï The scope of this project is currently divided into two phases which are being implemented concurrently.
 - ñ The first phase will repair the primary sewage pumping stations in the existing Basrah sewage collection system, while the second phase will address repairs to secondary lift stations.
 - ñ This past week, work continued on civil refurbishments and mechanical and electrical work, including the installation of new generators.

Essential Services ñ Food Security



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Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï MOT II (pulses, infant formula, vegetable oil/ghee, tea, infant cereals and adult milk), will meet part of the needs of the Public Distribution System (PDS) in December and January.
- ï The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of those shipments.
- ï The Ministry of Trade has reported that all L/Cs have now been issued for MOT II and MOT II contracts have been amended accordingly. Independently, The Trade Bank of Iraq reports that all but one L/C have been fully funded.
- ï On November 15, the MOT III tendering process will close and then the MOT will begin the next phase, which is to award the contracts to suppliers. MOT III will fulfill February and March 2005 requirements. To date, the MOT is on track for moving forward on MOT III.



Essential Services ñ Health Care

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Second Round of Polio Vaccinations:

- ï USAID funds contributed to the provision of vaccines for a second round of polio vaccinations, which was completed in October. The polio vaccine generally requires four doses.
- ï This initiative was implemented by the Ministry of Health with support from UNICEF in all of Iraqís 18 governorates.
- ï The first round of vaccinations was completed in early September, and reached 96% of Iraqís 4.6 million children under the age of 5 in all 18 governorates. The second round reached roughly the same amount. UNICEF health monitors supervised distribution in eight central and northern governorates.

Current Hospital Construction and Rehabilitation Projects:

- ï As part of USAIDís \$36.7 million grant to UNICEF, medical supplies are being delivered to restive areas to provide adequate humanitarian assistance.
- ï Last month, 100 first aid kits, 30 emergency obstetrical kits, and 20 first aid kits were sent with the Iraqi Red Crescent Society (IRCS) to Fallujah to provide medical care.
- ï A grant application to the Japanese government for the donation of 525 infant incubators has been drafted, and is under review by the Ministry of Health (MOH).



Essential Services ñ Education

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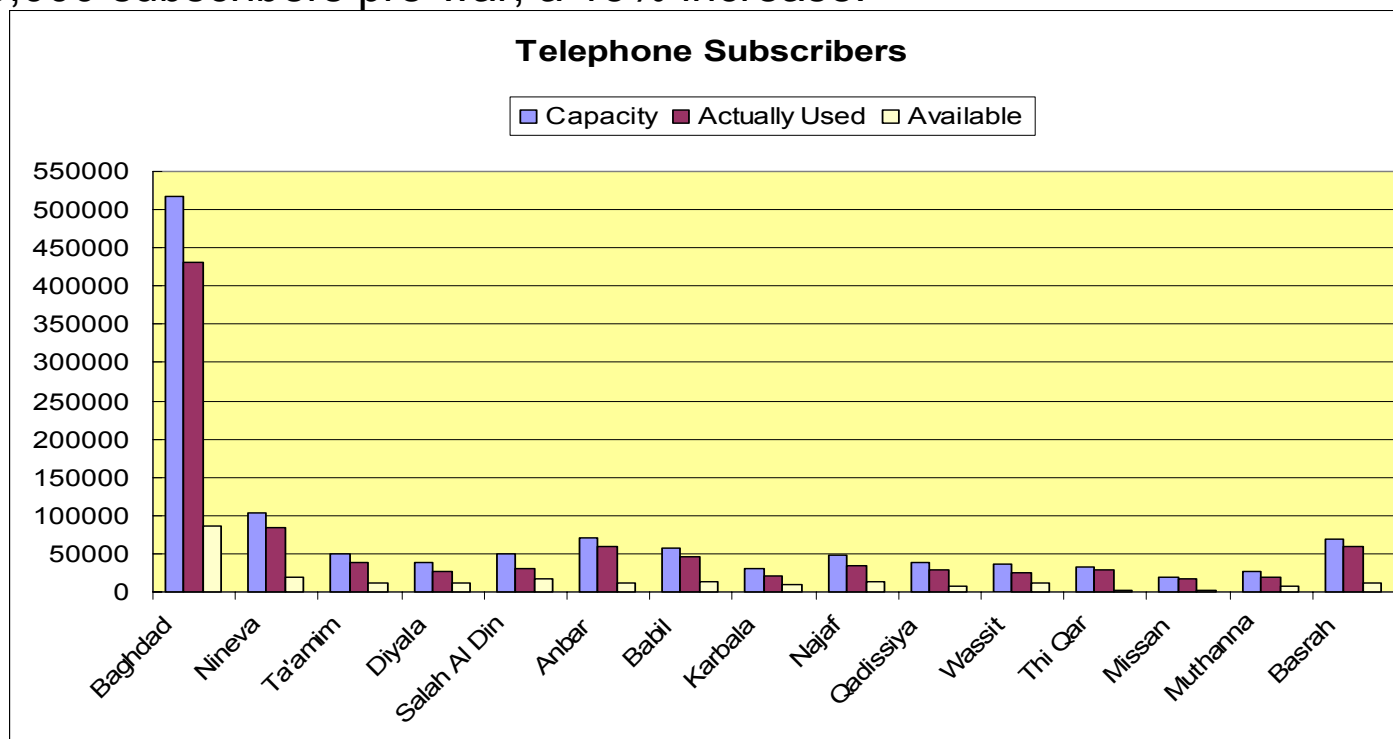
Investing in Iraqi Education:

- ï A report recently released by the Ministry of Education emphasizes the need for rebuilding the infrastructure of the country's education system.
- ï The report reveals one third of all primary schools in the country lack water supply and 50% have no restrooms or washrooms.
- ï It is estimated that around 60% of Iraq's population is illiterate, while at least 25% of primary school-age children do not attend school, according to World Bank findings. Half of those children do not go on to secondary school, while in rural areas the numbers are even higher. Up to half of all girls never attend school.
- ï To aid Iraq's education crisis the US Army Corps of Engineers, along with Iraqi and multinational force officials, is investing \$16.4 million to renovate more than 300 schools across the country.
- ï With support from USAID, UNICEF updated its findings from a comprehensive national education survey conducted last year. The survey is being used by the Ministry of Education to design educational policies that address the needs of Iraqi learners.



Essential Services - Telecommunications

- ï Total number of telephone subscribers in Iraq is now over 2,135,000 (including 1,175,000 cell phone subscribers) ñ 156% above pre-war levels.
- ï There are now 960,000 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war, a 15% increase.



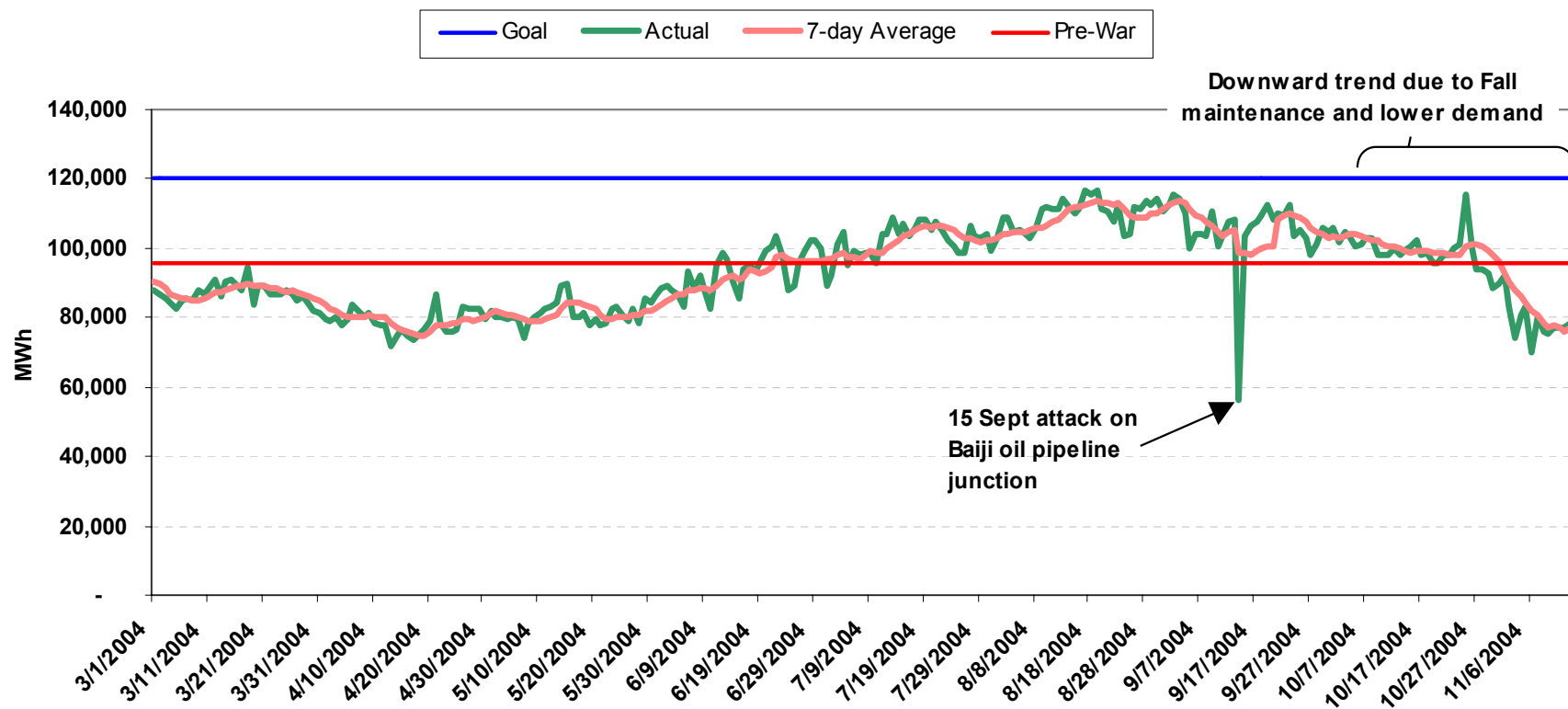
- ï There are 110,000 internet subscribers, compared with less than 12,000 before the war. These statistics do not reflect the large number of unregulated users of Internet caf s.



Electricity Overview

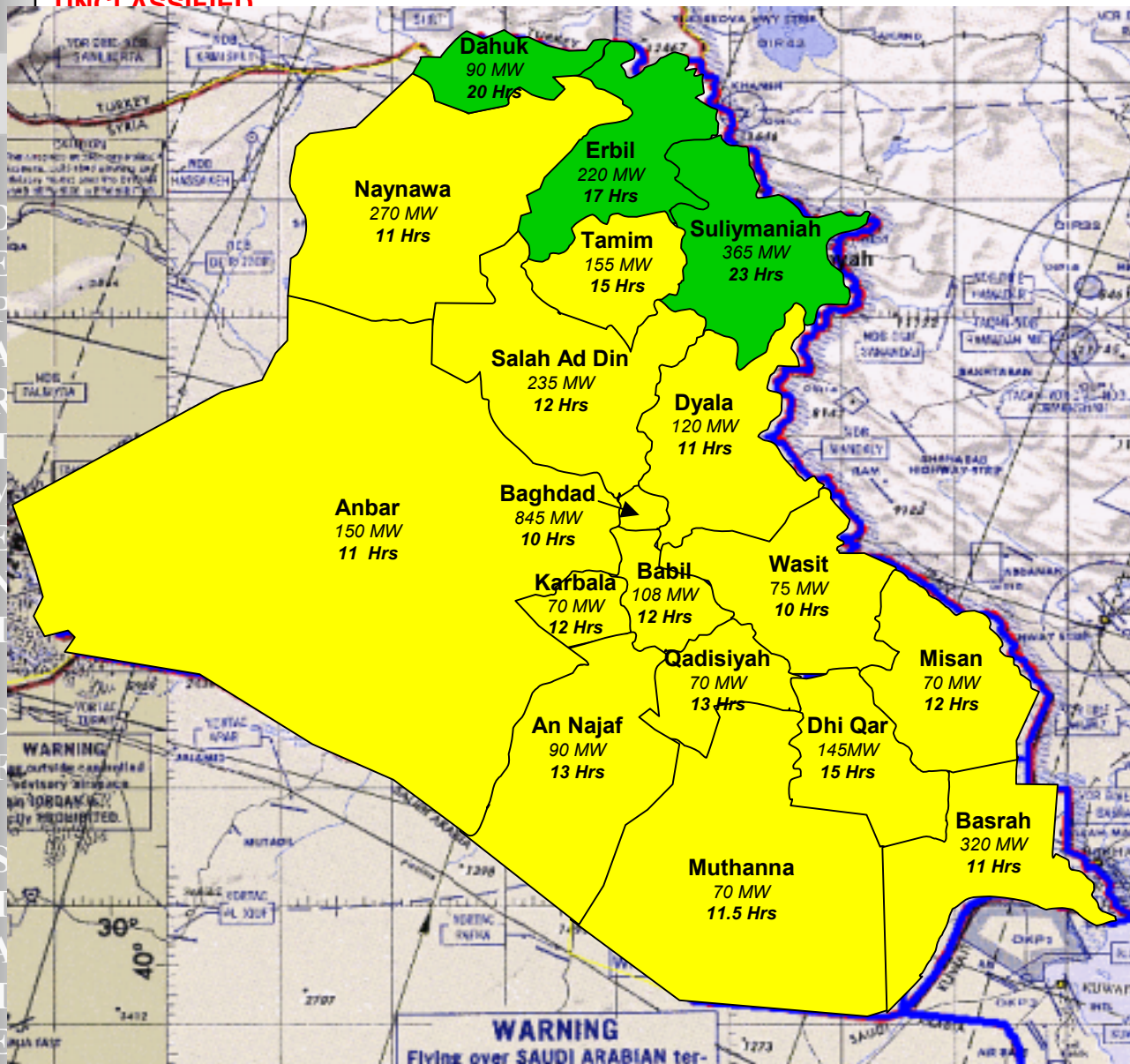
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Megawatt-Hour (MWh) Load Served



- ï On average 1200 MW of generation capacity was scheduled offline and while 825 MW was unscheduled for maintenance.
- ï Seven Day Average (8-14 Nov): 78,900 MWh.

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**AVERAGE HOURS OF
ELECTRICITY AVAILABLE TO
GOVERNORATE PER DAY
OVER A 7 DAY PERIOD**

> 8 Hrs = Red



9 to 15 Hrs = Amber



7 to 16 Hrs = Green



No Report = White

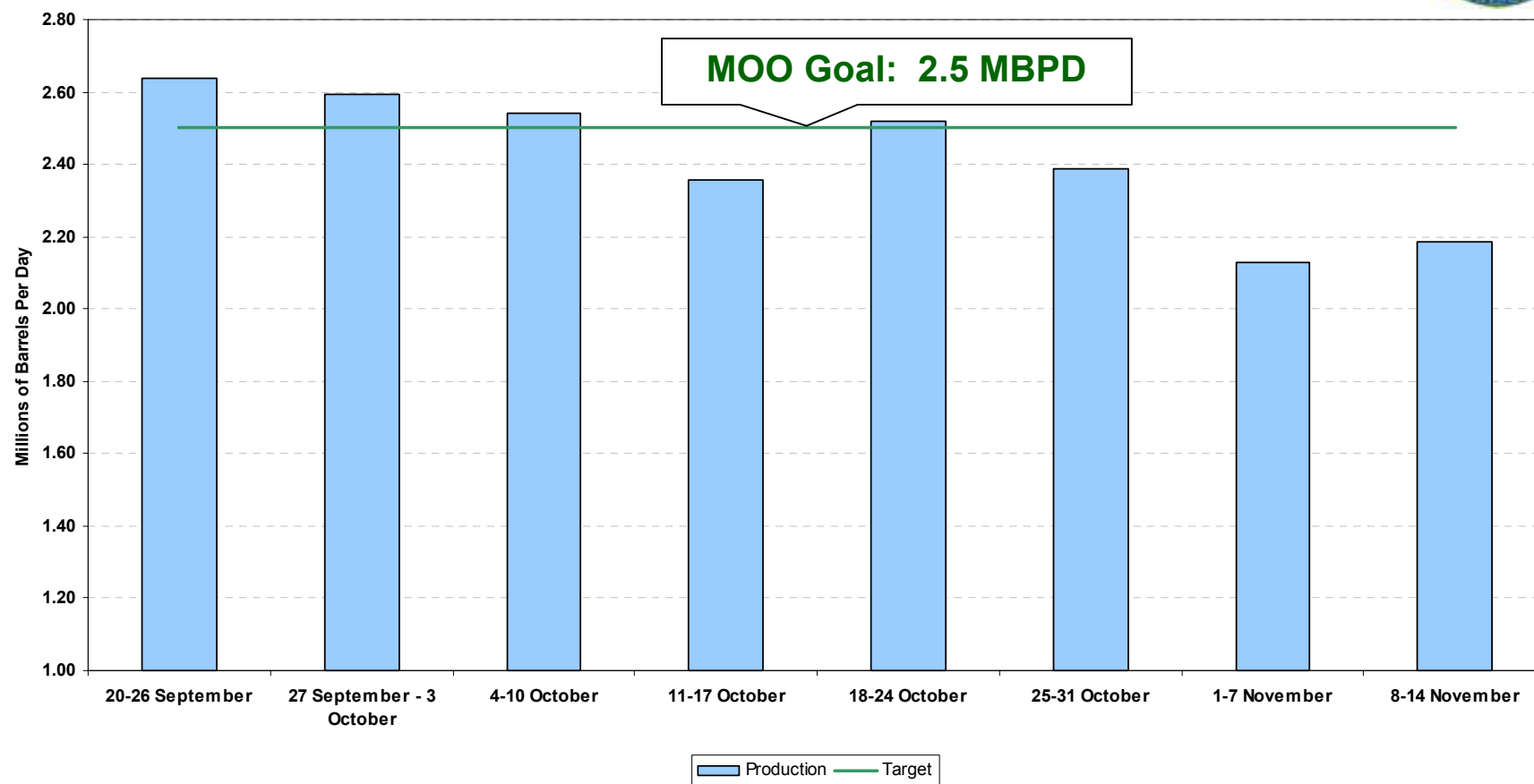


MW totals represent average sustained power throughout the 7 days represented.

Average Electrical Power Distribution per Governorate
7 NOV 04 ñ 13 NOV 04



Crude Oil Production



ï Weekly Average (8-14 Nov) of 2.19 MBPD

ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

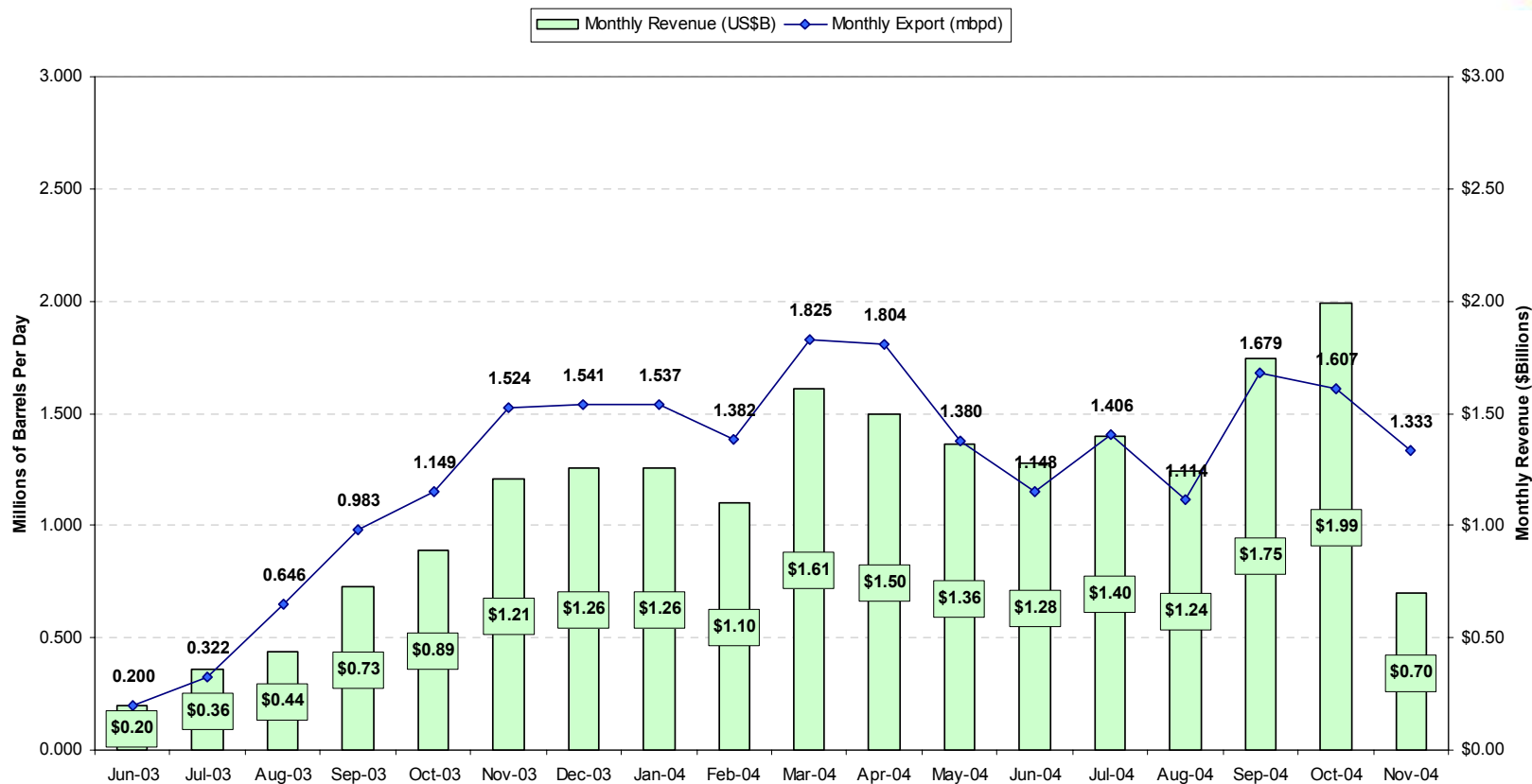
ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD



Crude Oil Monthly Export ñ Volume & Revenue

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2003 Revenue: \$5,076.6M

2004 Revenue:

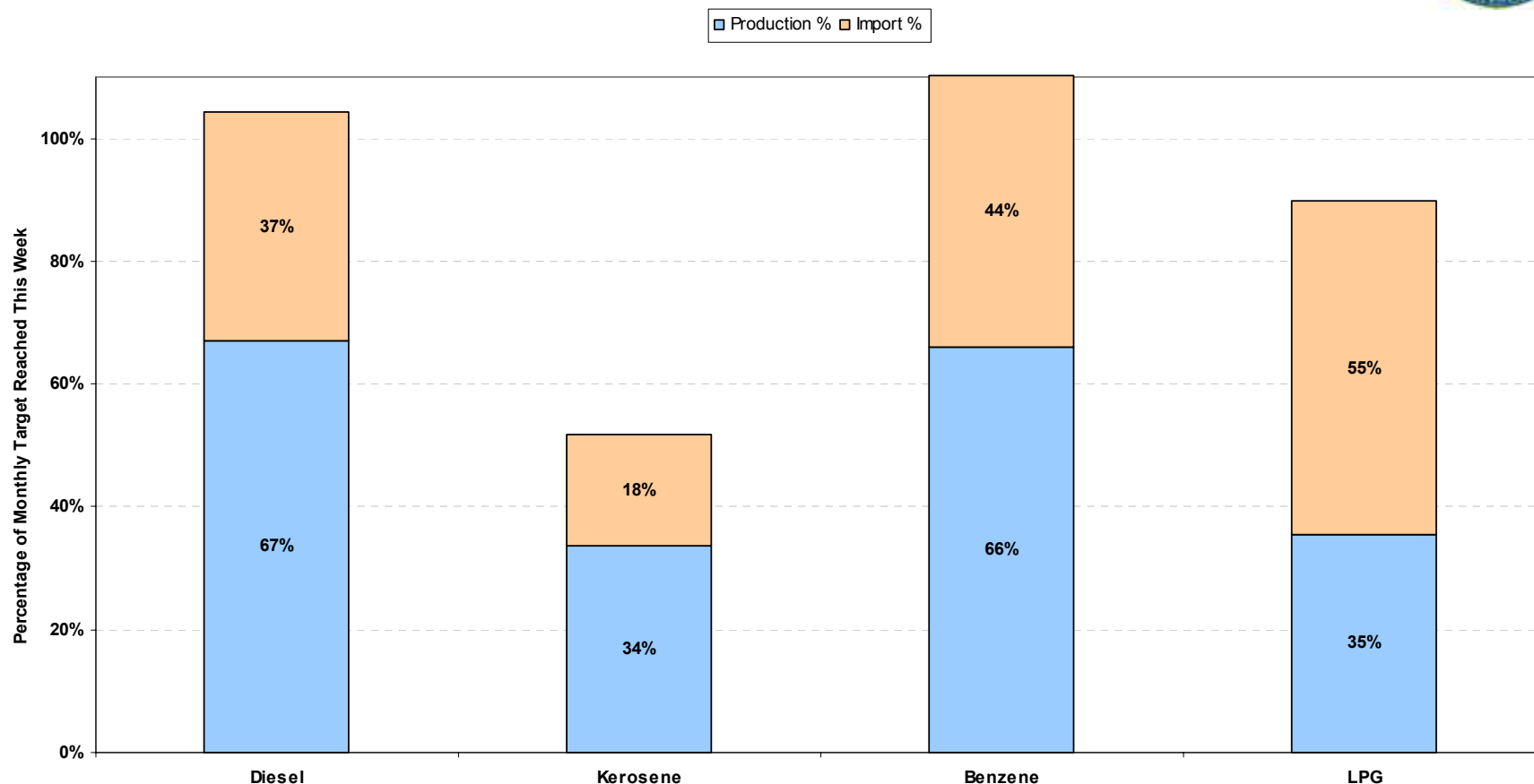
Pre-Transition: \$8,105.2M

Post-Transition: \$7,038.2M

\$15,143.4M



Refined Products ñ Domestic Production & Imports



Note: This chart represents the percentage of target reached for the week of 8-14 Nov

ï Diesel: 18.8 ML of 18 ML

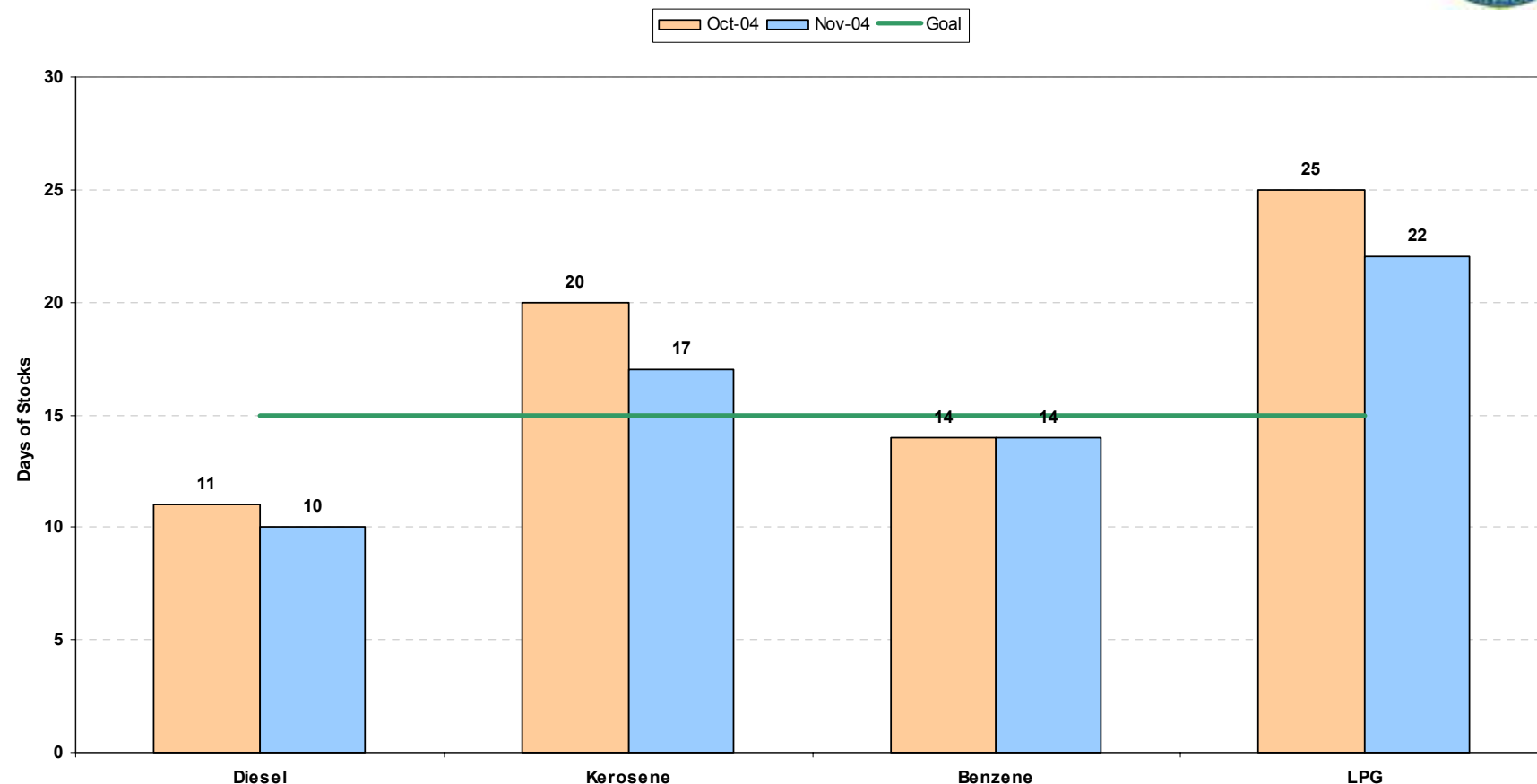
ï Kerosene: 7.7 ML of 15 ML

ï Benzene: 19.9 ML of 18 ML

ï LPG: 3,867 tons of 4,300 tons



National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



Iraq Relief and Reconstruction Fund (IRRF) ñ Financial Status

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Financial Status IRRF I & II			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	3908	3919	2876	2865	819	883
Electricity Sector	4350	3627	3440	3343	2494	2367	399	442
Oil Infrastructure	1701	1701	1139	1141	769	771	68	69
Justice, Public Safety, and Civil Society	1121	1120	841	836	546	541	69	75
Democracy	832	832	473	474	473	473	104	118
Education, Refugees, Human Rights, Governance	379	379	136	139	136	136	34	36
Roads, Bridges, and Construction	359	299	293	293	158	149	19	23
Health Care	786	786	750	762	347	364	5	5
Transportation and Communications	499	443	423	391	208	201	15	15
Water Resources and Sanitation	2311	1365	1283	1292	848	862	27	29
Private Sector Development	843	843	155	155	140	140	47	49
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16469	12870	12774	9024	8898	1635	1773
CONSTRUCTION	11306	9336	7797	7741	5282	5171		
NON-CONSTRUCTION	6301	6301	4600	4559	3269	3254		
DEMOCRACY	832	832	473	474	473	473		
IRRF I SUBTOTAL	2475	2475	2418	2418	2418	2418	1704	1704
GRAND TOTAL IRRF I & II	20914	18944	15288	15192	11442	11316	3339	3447

Data as of 17 Nov 04

Justice

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Justice Sector Updates:

- ï INL Rule of Law Coordinator has been established in Baghdad and is working with DoJ, USAID, USIP and the Iraqi judiciary to define and scope the Iraqi vision for modernization and reform.
- ï A comprehensive plan is being developed to integrate all aspects of the Iraqi criminal justice system (Police, Courts, Corrections and Public Access)

Specialized Police Training:

- ï US agencies are assisting with specialized police training to include management development, intelligence and drug investigations, kidnapping and hostage operations, internal controls, post-blast investigations and counter-terrorism investigations.



Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	44,836	135,000
Civil Intervention Force	0	4,920
Emergency Response Unit	98	270
Border Enforcement	14,953*	29,360
Highway Patrol	370**	1,500
Bureau of Dignitary Protection	359	500
Army	3,887	27,000
National Guard	43,445	61,904
Intervention Force	1,816	6,584
Special Operations Force	590	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>409</u>	<u>582</u>
Total	*110,930	270,089

* Reduction from 18,375 previously reported due to IIG transferring 3,782 Civil Customs personnel from the Department of Border Enforcement to the Ministry of Finance.

** Reduction from 555 previously reported.



Stability Contributors ñ OIF

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Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Kazakhstan	Mongolia	Slovakia
Australia	Estonia	Korea	Netherlands	Tonga
Azerbaijan	Georgia	Latvia	Norway	Ukraine
Bulgaria	Hungary	Lithuania	Poland	UK
Czech Rep	Italy	Macedonia	Portugal	
Denmark	Japan	Moldova	Romania	

TOTAL ~ 24,000 Forces

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

Iraq Weekly Status ñ General Information



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- ï Development, coordination and distribution responsibilities for the Iraq Weekly Status Report have been transferred from the Department of Defense to the Department of State.
- ï This brief draws from multiple sources. References are cited on the respective pages in the ñNotes Pageñ section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov